

Assembly Joint Resolution

No. 61

**Introduced by Assembly Members Ridley-Thomas, Pavley, Chu,
and Frommer**

February 12, 2004

Assembly Joint Resolution No. 61—Relative to prescription drugs.

LEGISLATIVE COUNSEL'S DIGEST

AJR 61, as introduced, Ridley-Thomas. Prescription drugs.

This measure would memorialize the United States Secretary of Health and Human Services to certify to the Congress of the United States that implementation of provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, permitting the importation of prescription drugs from Canada into the United States, will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of prescription drugs to the American consumer.

Fiscal committee: no.

1 WHEREAS, Section 1121 of the Medicare Prescription Drug,
2 Improvement and Modernization Act of 2003 (P.L. 108-173)
3 permits the importation of prescription drugs from Canada into the
4 United States by pharmacists and wholesalers if the Secretary of
5 the United States Department of Health and Human Services
6 certifies to the Congress of the United States that importation will
7 pose no additional risk to the public's health and safety and will
8 result in a significant reduction in the cost of prescription drugs to
9 the American consumer; and

1 WHEREAS, Skyrocketing prescription drug costs are placing
2 a growing burden on personal budgets and governmental
3 programs; and

4 WHEREAS, Prescription drug spending in the United States in
5 2002 increased 15.3 percent, to a total of \$162.4 billion; and

6 WHEREAS, In 2002, consumers spent \$48.6 billion
7 out-of-pocket on prescription drugs, a \$6.1 billion increase from
8 the year before; and

9 WHEREAS, Annual price increases in the cost of prescription
10 drugs have hit especially hard on the elderly and people with
11 chronic diseases; and

12 WHEREAS, A survey taken among Medicare beneficiaries
13 found that 34 percent of seniors cite cost as the greatest barrier to
14 taking their prescription drugs, 37 percent of seniors spend more
15 than \$100 per month on prescription drugs, 20 percent of the time
16 patients do not take medication exactly prescribed due to cost, 18
17 percent have skipped medication to make their prescriptions last
18 longer, and 25 percent are prevented from filling a prescription or
19 refill on time at least once a month due to cost; and

20 WHEREAS, The federal government has done little to address
21 skyrocketing prescription drug prices; and

22 WHEREAS, The Medicare Prescription Drug, Improvement
23 and Modernization Act of 2003, Public Law 108-391, specifically
24 forbids the federal government from negotiating lower prices with
25 drug companies without congressional approval; and

26 WHEREAS, Prohibiting the federal government from
27 negotiating for the lowest prescription drug price for Medicare
28 beneficiaries will prevent the federal government from saving the
29 taxpayers billions of dollars by means of bulk purchasing
30 discounts; and

31 WHEREAS, An increasing number of Americans are turning to
32 Canada to purchase prescription drugs for 40 to 75 percent less
33 than in this country; and

34 WHEREAS, Now an estimated one million Americans are
35 buying drugs in Canada because the high price of prescription
36 drugs in the United States makes their medication increasingly
37 unaffordable; and

38 WHEREAS, Cities and states are investigating whether the
39 importation of prescription drugs from Canada could reduce



health care costs for constituents, governmental employees, and government health care programs; and

WHEREAS, Cities and states that save money through importation could use these funds to save threatened police, fire, and education services; and

WHEREAS, Efforts by a number of cities, including Springfield, Massachusetts, and the States of Illinois, Minnesota, and New Hampshire, to import prescription drugs from Canada have received considerable attention; and

WHEREAS, Springfield, Massachusetts, estimates it could save \$4 to \$9 million a year by an importation program for city employees and retirees; and

WHEREAS, Boston, Massachusetts, estimates that a limited importation program could save the city about \$1 million a year; and

WHEREAS, Illinois estimates it could save \$34 million annually from an importation program for its employees; and

WHEREAS, An Illinois study found that pharmacy practices in the Canadian Provinces of Manitoba and Ontario are equal to or superior to pharmacy practices in the United States; and

WHEREAS, It should be a priority to offer consumers as well as state and local governments the ability to purchase safe and affordable prescription drugs; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Secretary of the United States Department of Health and Human Services to certify to the Congress of the United States that implementation of Section 1121 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, permitting the importation of prescription drugs from Canada into the United States by pharmacists and wholesalers, will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of prescription drugs to the American consumer; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.

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2	CORRECTIONS	
3	Heading — Lines 1 & 2.	
4		_____
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